less than $2.5 billion. Then, the President's own Council of Economic Advisors put the price at a considerably higher $60 billion. I have seen estimates for the cost as high as $150 billion. That was an amount quoted in a Senate Small Business Committee hearing we held earlier this year. I think the difference in magnitude between these estimates—$2.5 billion and $150 billion—deeply concerns me, and is—in and of itself—a good reason to delay the standards.

The disagreement continues. The EPA stated in its regulatory impact analysis that the rules will not have a significant effect on small businesses. But the Small Business Administration refuted that. The SBA confirmed that, ''Considering the large economic impacts suggested by EPA's own analysis, [which] will unquestionably fall on tens of thousands, if not hundreds of thousands of small businesses—this would be a startling proposition to the small business community.''

It will affect hundreds of thousands of small businesses. Just who are we trying to help our trade policy, Mr. President?

The U.S. Department of Agriculture also raised concerns. They highlighted that EPA's air quality standards ''do not contain detailed information regarding specific effects on agriculture that may be caused by pollution or that may result from pollution controls.''

American agriculture is just beginning to see what is coming down the pike with regard to clean water standards. We are now taking a close look at how the EPA will be able to enforce ''total maximum daily load'' guidelines on streams in my State. This is a big concern for everyone who uses water in Wyoming. And we all do.

The fact is, the unreasonable environmental regulations destroy thousands of U.S. jobs by raising input and compliance costs. In a 1996 study of regulatory costs, Thomas Hopkins of the Center for the Study of American Business, estimated that regulatory mandates already cost small businesses between $3,000 and $5,500 per employee. The new air quality standards will impose an enormous new cost on top of that without any verification of the benefits.

The second connection this issue has to the debate of fast track is the issue of delegated authority. Congress has a responsibility to regulate commerce with foreign nations that is derived directly from the Constitution. Fast track delegates that authority to the executive branch.

Whether one agrees with the practical need for fast track or not, no member can deny that it is a delegation of congressional responsibility. Our senior Senator from West Virginia, Senator ROBERT BYRD, is an expert historian on constitutional law and he has spoken very eloquently and persuasively about this issue and against the fast-track legislation.

I have also heard some very convincing arguments about the necessity of fast track. The argument is made that we need a strong voice in our multilateral trade negotiations—a voice that has the authority to back up its demands. Whether that is to be believed or not, recent developments make me very reluctant to delegate that authority. I have already stated my concerns about EPA's expansive interpretations of its delegated authority—now, we face the prospect that the administration will commit to dangerously unfair commitments in the global warming treaty to be discussed in Kyoto this December.

The administration's positions on the global climate change treaty are a paramount example of politics over science. There has been no scientific consensus on this issue. There has been no proven relationship to show that the climate change treaty would have any effect on global temperatures. In fact, there isn't any proof that human intervention will make a difference.

For some reason, however, the administration seems ready to embrace an agreement that would wage economic war against our own workers. According to one independent estimate, complying with U.N. reduction targets for greenhouse gas emissions could cost this country as much as $350 billion per year. That is nearly $2,000 for every working American.

The result will be the loss of 5 million American jobs directly related to energy use and production and the loss of several million more jobs that are indirectly related. The jobs will simply be transferred overseas—not to countries doing a better job, countries that are doing a worse job—something that is becoming easier and easier. It will be particularly easy if developing countries like China, India, Brazil, and Mexico do not impose the same air quality standards on themselves. That is what we are talking about in that treaty.

This is not consistent with promoting economic growth. Furthermore, there is no scientific consensus. Most importantly it is unfair. Personally, these circumstances make me very hesitant to support fast track and to restrict my ability to modify agreements entered into by this administration.

I cannot rationalize giving the Administration the authority to negotiate agreements with other countries when they refuse to negotiate domestic regulations with Congress.

Before I close, I want to stress that I understand the importance of trade agreements. I understand that Americans have much to gain by reducing foreign barriers. I do believe fast track is necessary for practically negotiating multilateral agreements.

I want to point out, however, that many of my constituents in the State of Wyoming have grave reservations about expanding NAFTA. Two of the largest sectors of Wyoming's economy, agriculture and energy, are in direct competition with Canadian producers. While our Nation as a whole stands to benefit from increased market access in Europe, South America, and Asia—my constituents need attention focused on unfair import competition from NAFTA.

This problem is most apparent in our northern tier States. The Senator from North Dakota, Senator DORGAN, has clearly presented the unfair practices faced by our wheat and barley growers. United States food manufacturers import over $200 million per year in Canadian wheat—nearly all of which is sold by the Canadian state trading board.

Cattle imports from Canada have also flooded our market. While national meat import levels have remained fairly stable, live imports from Canada into the Northern States have increased by over 100 percent since 1994. They have been especially unwelcome in a buyers' market that is saturated by oversupply and restricted by packer concentration. These Canadian imports exacerbated prices that were already down by over 40 percent.

Most recently, the independent oil producers in my State, who already face stringent regulations and substantial Federal taxation, are now competing with 130,000 barrels per day of Canadian crude that is being pumped into the region through a new pipeline. Wyoming's posted sour crude prices have plummeted from over $19 per barrel in 1996 to just $14 per barrel this year.

Needless to say, many of my Wyoming constituents feel they are getting the raw end of free trade. Most of them are people who deeply believe in fair and open trade, but they have real reservations about expanding agreements they don't feel are fair.

I will conclude by stressing that it is good for the administration to set its sights on foreign markets, but they must also pay attention to what is happening at home. There is no reason to open up foreign markets while you are closing down your businesses by strangling them with regulations.

We need to inject a standard of reasonableness in our environmental policy. The issues of job growth, trade, and domestic regulation are linked. I would like to see more consistency in our policy on economic growth.

I yield the floor.

Mr. MURKOWSKI addressed the Chair.

The PRESIDING OFFICER. The Senator from Alaska [Mr. MURKOWSKI], is recognized.

WARD VALLEY

Mr. MURKOWSKI. Mr. President, I would like to address the issue of low-level waste in this country and the issue of Ward Valley. California is the first State to site a low-level waste facility under legislation passed by Congress which granted States with the authority and responsibility for low-level waste. Low-level radioactive waste is produced from cancer treatments, medical research, industrial activities, and scientific research. In the

State of California there are some 800 sites where this medical waste is being stored. It is being stored in temporary facilities that were not designed for permanent storage.

This waste is stored near homes, schools, it's stored at college campuses, medical facilities, and so forth.

This radioactive waste is vulnerable to accidental release from the fires and earthquakes, neither of which are uncommon in California.

Public health and safety demands that this waste be moved from locations scattered across California to a single, monitored location—preferably, in a remote and sparsely populated area.

The State of California is the first State to take advantage of the Federal process that we authorized for the States to develop their own low-level waste sites. But it is interesting to note how the progress has gone—not because of the lack of commitment by California, but the lack of cooperation from the Department of Interior to simply conduct a very simple land exchange.

The State of California, in a process which began a decade ago, is trying to get their facility opened. They selected a site known as Ward Valley in the remote Mojave Desert.

The California license was issued in accordance with all State and Federal laws, and has withstood all court challenges. The license contains 130 specific conditions designed to protect public health, safety, and the environment.

But here comes the villain—the Department of Interior—having earlier agreed to sell California the land for the site—changed its mind, returned the check, and has refused to transfer the land.

Since that time, the Department of the Interior has engaged in continuous, purposeful delay. They seek more studies, allegedly to assure that the site will be safe.

We all insist on a safe disposal site, and we expect no less. Thus far, we have had two environmental impact studies and a special National Academy of Science study that all point to the safety of the site.

Now, the State of California, in accordance with the guidelines of the Nuclear Regulatory Commission and all applicable State and Federal laws, has done its job and done it well. But the Interior Department is still not satisfied. They want more studies. For starters, they insist on an additional water infiltration study and a third impact environmental statement.

The State of California has generously agreed to perform the water infiltration study prior to any land transfer which was a tremendous concession on California's part. However, Interior has not thus far allowed California access to the land to conduct the very tests that Interior insists upon. Instead of working to resolve the matter, the Department of the Interior seems to be engaged in a cycle of continuous study and endless delay. One has to wonder why the Department of the Interior is taking such a tack.

Are these delays and demands for more tests designed to assure public safety? Or are they merely part of a carefully orchestrated public relations campaign? Well, we can answer that question.

Several weeks ago, a memo we uncovered from the Department of the Interior shed an extraordinary light on this question. In fact, this memo makes the motivations behind the Interior Department's actions absolutely clear.

I have read this memorandum once on the floor of this body. I think it needs to be read again. This is a memo from Deputy Secretary John Garamendi, to Secretary Bruce Babbitt, Department of the Interior. It is short enough to read in its entirety.

It says:

February 21, 1996
Memorandum
To: Bruce Babbitt
From: John Garamendi
Subject: Ward Valley

Attached are the Ward Valley clips. We have taken the high ground. [Governor Pete] Wilson is the venal toady of special interests.

I do not think GreenPeace will picket you any longer. I will maintain a heavy PR campaign until the issue is firmly won.

There you have the words of John Garamendi relative to his willingness to work with California to act in order that the low-level waste at some 800 sites in California can be removed and put in one area that will be monitored out in the Mojave Desert.

I think this memorandum shows that Ward Valley has become a political football, a public relations issue. It also suggests that Interior has no plans other than to delay the transfer of the land. They just want to wage a PR campaign and delay a decision until somebody else's watch. They don't want to make this decision on their watch. They are putting it off because they know this administration is a few years from becoming history. They don't want to address it, they don't want the responsibility.

But what has Secretary Garamendi told the Senate with regard to Ward Valley? How do his private statements compare to his public ones?

At his confirmation hearing on July 27, 1995, John Garamendi testified under oath to our committee that the Ward Valley issue should and would be resolved quickly. Two years later, at a hearing on July 22, 1997, John Garamendi told the committee that he would work in good faith to resolve the matter in further negotiations with the State of California.

Well, we still don't have a resolution. California does not even have permission to do the additional testing Interior seems to want to see performed.

Instead of moving a process forward and transferring the land, Interior seems intent on waging a public relations campaign designed to further delay rather than enlighten.

Now, what have others said about the Interior Department's handling of this issue? Let's look at the experts.

The General Accounting Office, GAO, contends that the Department of the Interior is attempting to assess the site's suitability—a job that belongs to California by law and that California has already undertaken and completed—despite the fact that Interior ''lacks the criteria and expertise'' for the job. That is the opinion of the General Accounting Office—that Interior lacks the criteria and expertise.

The GAO report also contends that there is no need for the new environmental impact statement sought by Interior since the substantive issues have already been addressed and that new information uncovered since the last environmental impact statement is generally favorable to the facility.

Well, this report is too lengthy to insert into the RECORD, but for the benefit of my colleagues, I am referring to GAO report RCED–97–184, dated July 1997, for anybody who might want to look it up.

To again summarize what GAO says, Mr. President, it says: First, Interior is trying to do a job that belongs to the State of California. The State of California was given the authority to do it; second, Interior is calling for new studies that aren't needed; third, Interior lacks the technical expertise to even perform these tasks.

GAO isn't alone in their criticism of the Department of Interior's handling of this issue. The Nuclear Regulatory Commission, NRC, has joined in the process as well.

Specifically, the NRC has been critical of the Interior Department for distributing fact sheets which contain errors, misleading statements, and information falsely attributed to the NRC that was actually provided by project opponents.

That is pretty strong stuff, Mr. President, but that is factual.

So not only is Interior waging a PR campaign, they are playing fast and loose with the truth in the conduct of that campaign, according to the Nuclear Regulatory Commission.

I ask unanimous consent that the letter from the Chairman of the NRC to the Secretary of the Interior, dated July 22, 1997, be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNITED STATES NUCLEAR
REGULATORY COMMISSION,
Washington, DC, July 22, 1997.

Hon. BRUCE BABBITT,
Secretary, U.S. Department of Interior, Washington, DC.

DEAR SECRETARY BABBITT: I am writing on behalf of the U.S. Nuclear Regulatory Commission (NRC) to share our views related to the Department of Interior's (DOI) actions regarding the proposed Ward Valley low-level radioactive waste (LLW) disposal facility in California. In February 1996, DOI announced that it would prepare a second supplement to an environmental impact statement (SEIS) for the transfer of land from the Federal government to the State of California, for the development of the Ward Valley

low-level radioactive waste (LLW) disposal facility. We understand that DOI has identified 13 issues that it believes need to be addressed in the SEIS. DOI also stated that it would not make a decision on the land transfer until the SEIS was completed. NRC will actively serve as a ''commenting agency'' on the SEIS in accordance with the Council of Environmental Quality regulations in 40 CFR 1503.2, ''Duty To Comment.'' NRC's interest in the Ward Valley disposal facility is focused on protection of public health and safety, and many of the 13 issues to be addressed in the SEIS are related to our areas of expertise. As a commenting agency, we will review the draft SEIS, and provide comments based on the requirements in federal law and regulations, and our knowledge of policy, technical, and legal issues in LLW management. We would also be available to discuss these issues with DOI, both before and after publication of the draft SEIS.

On a related matter, it is our understanding that Deputy Secretary John Garamendi of DOI held a press conference on July 22, 1996, addressing the effect of Ward Valley facility availability on the use of radioisotopes in medicine and medical research. It was recently brought to our attention that DOI distributed a document entitled, ''Medical, Research, and Academic Low Level Radioactive Waste (LLRW) Fact Sheet'' at the press conference. This Fact Sheet contains several errors and statements that may mislead the reader. To assist DOI, we have addressed these errors and statements in the enclosure to this letter. Some of the points contained in the Fact Sheet are useful and contribute to the dialogue on this issue; however, NRC is concerned that some of the subjective information of the document is characterized as factual. We are particularly concerned by the statement that the NRC definition of LLW ''. . . is an unfortunate and misleading catch-all definition . . .'' In fact, NRC's definition is taken from Federal law, specifically the Low-Level Radioactive Waste Policy Act of 1980, and the Low-Level Radioactive Waste Policy Amendments Act of 1985 (LLRWPAA). Additionally, it is NRC's view that some of the information that was referenced or relied on in the Fact Sheet may not represent a balanced perspective based on facts. For example, a table of the sources and amounts of radioactive waste that is projected to go to the Ward Valley facility is erroneously attributed to NRC, the U.S. Department of Energy (DOE), U.S. Ecology, the Southwestern Compact, and the Ward Valley EIS. Raw data from the sources quoted appear to have been interpreted based on uncertain assumptions about future activities of generators to produce the figures in the table. Additionally, NRC noted that the figures in the table are identical to those in a March 1994 Committee to Bridge the Gap report.

With respect to the relationship between LLW disposal policy and medicine and medical research, we note that the National Academy of Sciences Board on Radiation Effects Research has prepared a Prospectus for a study entitled, ''The Impact of United States Low-Level Radioactive Waste Management Policy on Biomedical Research.'' The study would, among other things, ''Evaluate the effects of higher disposal costs and on-site storage on the current and future activities of biomedical research, including the effects of state non-compliance [with the LLRWPAA of 1985] on institutions conducting biological and biomedical research and on hospitals where radioisotopes are crucial for the diagnosis and treatment of disease.'' Thus, the issue of medical uses of radioisotopes and how they have been affected by the Ward Valley process is far less clear than the Fact Sheet portrays.

Finally, since there are no formal arrangements that permit NRC to review and comment on the technical accuracy of various DOI documents on LLW and Ward Valley, we may not be aware such documents exist, thus the absence of NRC comments does not imply an NRC judgment with respect to the technical accuracy or completeness of such documents.

I trust our comments will be helpful in your efforts to address Ward Valley issues.

Sincerely,

SHIRLEY ANN JACKSON.

Enclosure: As stated.

NRC STAFF COMMENTS ON THE DEPARTMENT OF INTERIOR ''FACT SHEET'' [1]

1. The Fact Sheet contains a projection of LLW to be sent to the Ward Valley disposal facility over its 30-year life, and attributes the table to the Department of Energy, the U.S. Nuclear Regulatory Commission, the Southwestern Compact, U.S. Ecology, and the Ward Valley environmental impact statement. In fact, the figures in the table are identical to those in a table from a March 1994 Committee to Bridge the Gap report, are substantially different from California projections, and are based on assumptions that are not identified. The actual assumptions used are contained in the Committee to Bridge the Gap report and minimize the amount and importance of the medical waste stream.

2. The Fact Sheet is incomplete in that it provides only anecdotal evidence of the impact of not having the Ward Valley disposal facility available to medical generators. Although its arguments about short-lived radionuclides appear to be generally true, the Fact Sheet downplays the effects on generators that use longer-lived radionuclides. According to the Fact Sheet, there are an estimated 53 research hospitals in California, out of some 500 hospitals overall. The Fact Sheet describes the impact at three of these research organizations and concludes that they can manage their waste, either by disposing of it at an out-of-state facility (Barnwell or Envirocare), storing it, or, for sealed sources, sending them back to the manufacturer. The Fact Sheet concludes that there is no health and safety impact from the approach, but does not address broader issues such as the continued availability of existing disposal sites as an option, and the fact that transferring a sealed source to a manufacturer does not eliminate the problem, but simply shifts it from one organization to another.

3. The Fact Sheet does not address the more complex issues concerning use of radioisotopes in medicine, such as how medical research in general has been affected by issues such as disposal and storage cost increases, and the need to switch from longer-lived radionuclides to short-lived nuclides or non-radioactive materials. The National Academy of Sciences Board on Radiation Effects Research has prepared a Prospectus for a study entitled ''The Impact of United States Low-Level Radioactive Waste Management Policy on Biomedical Research.'' The study would, among other things, ''Evaluate the effects of higher disposal costs and on-site storage on the current and future activities of biomedical research, including the effects of state noncompliance on institutions conducting biological and biomedical research and on hospitals where radioisotopes are crucial for the diagnosis and treatment of disease.'' Thus, the issue of medical uses of radioisotopes and how they have been affected by the Ward Valley process is far less clear than the Fact Sheet portrays.

4. The Fact Sheet characterizes the NRC definition of LLW in 10 CFR Part 61 as ''unfortunate and misleading'' because it includes both long-lived and short-lived radionuclides. It fails to acknowledge that this definition is contained in Federal law (the Low-Level Radioactive Waste Policy Act of 1980 and the Low-Level Radioactive Waste Policy Amendments Act of 1985) and that information on the kinds and amounts of radionuclides contained in LLW for land disposal is widely available in NRC regulations and/or NUREGS, and from DOE. In developing Part 61 in the early 1980s. NRC sought public comment on the proposed rule, and provided extensive information on the assumptions, analyses, and proposed content of the regulation for review. In developing the regulations for LLW, including how different classes are defined, NRC received and considered extensive public input. Four regional workshops were held, and 107 persons commented on the draft rulemaking, for 10 CFR Part 61, which defines LLW. In short, NRC encouraged public involvement in developing the definition of, and defining the risk associated with, LLW.

The Fact Sheet focuses on the half-life of radionuclides, but fails to discuss risk to the public from the effects of ionizing radiation and how they are affected by the half-life of radionuclides. Public health and safety is measured in terms of risk, not half-life. Risk is a function of radiation dose, and the determination of risk depends on a variety of factors, including the type of radiation emitted, the concentration of radionuclides in the medium in which they are present, the likelihood that barriers isolating the radionuclides will be effective, and the likelihood of exposure if radioactive materials are not fully contained. The Fact Sheet is misleading when it states that the half-life of I^{123} used in medicine is 13 hours, and that of I^{129} from nuclear power plants is 16 million years and that it remains hazardous for 160–320 million years. Either isotope can be a risk to the public, depending upon the other factors discussed above, and half-life by itself does not indicate risk.

5. In the definition section, the Fact Sheet defines ''radioactive half-life'' as ''The general rule is that the hazardous life of a radioactive substance is 10–20 times its half-life.'' This definition contains a new term (hazardous life) not used by the national or international health physics or radiation protection communities, and not defined in the Fact Sheet.

[1] ''Medical, Research, and Academic Low Level Radioactive Waste (LLRW) Fact Sheet.'' U.S. Department of Interior, Office of the Deputy Secretary. Distributed at a press conference of the Deputy Secretary on July 22, 1996.

Mr. MURKOWSKI. Mr. President, you might ask, why would a Senator from Alaska even care about a facility in California that is not needed to dispose of radioactive waste generated in Alaska? We don't generate hardly any.

Part of the answer involves my responsibilities as the chairman of the Committee on Energy and Natural Resources, and our oversight responsibilities. Not surprisingly, my position on Ward Valley is the same one taken by my predecessor as chairman, Bennett Johnston of Louisiana. He understood, as I do, that Ward Valley is really more than a debate over the future of a thousand acres of land in the Mojave Desert; it is more than a debate over the disposition of low-level radioactive waste in California, Arizona, and the Dakotas; it is even more than the debate over the viability or even the future of the Low-Level Radioactive

Waste Policy Act. I suggest there is much more at stake.

I am taking on this battle because there is an intrinsic value in opposing the careless disregard of science and the decisionmaking process. It's important to stand up against those who engage in this dangerous manipulation of public fear. It is my job to work against the oppression of the public good by a vocal few. Because I very much care about human health, safety and the environment, I believe it makes sense to store this radioactive low-level waste at a single, monitored location in the desert, rather than at 800-some locations throughout California, near schools, neighborhoods, hospitals, medical centers, and so forth.

Finally, I believe it is important to ensure that the Government keeps its promises. It was the intent of Congress, when it passed the Low-Level Waste Policy Act of 1980, and further amended it in 1985, that the safe management of low-level radioactive waste would be a responsibility of the States. That is precisely what the Secretary of the Interior, Bruce Babbitt, lobbied for when he was Governor. He argued that low-level waste should be a State responsibility. At that time, he was serving with the now President, but then Governor, Bill Clinton in the National Governors' Association. Well, he has changed his position.

I know the view from the top floor of the Department of the Interior changes one's perspective from time to time, but it's difficult to appreciate, much less justify, the actions of the Department in this regard.

Are the continuing delays at Ward Valley the good-faith actions of public officials purporting to act in the public interest? I think not.

To answer those questions, I am announcing today that we are going to explore, in great detail on the committee, the Ward Valley issue in the next session, with a series of investigatory oversight hearings. What we are attempting to obtain, obviously, are the facts on why this administrative bungling seems to continue. I would like all who have an interest in this issue to be aware that these hearings will commence early in the next session.

In the interim, we will be seeking relevant documentation from the Department of the Interior and the White House. With that notice given, I thank you, Mr. President, and yield the floor.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MURKOWSKI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MURKOWSKI. Mr. President, I ask unanimous consent that the period of morning business be extended for about 5 or 6 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MURKOWSKI. I thank the Chair.

OVERSIGHT OF THE HEADWATERS FOREST AND NEW WORLD MINE ACQUISITIONS

Mr. MURKOWSKI. Mr. President, I would like to share with my colleagues a little oversight on an issue that will be coming before this body again, and it covers the Headwaters Forest and New World Mine acquisitions taking place in both California and Montana. I have the obligation as chairman of the Energy and Natural Resources Committee to initiate authorization of these matters. I have had an active interest in the decisions of the Clinton administration to acquire the Headwaters Forest in northern California, and the New World Mine Site in Montana.

These decisions were made by the administration with little congressional involvement and the administration has now gone out of its way to, in my opinion, limit the role of Congress in how these properties actually are acquired.

Originally, the administration proposed acquiring both of these properties through land exchanges. When that proved to be very difficult and impossible to do without going through Congress, the idea of land exchanges was abandoned. So clearly the objective was to circumvent Congress.

The Clinton administration then proposed using $315 million from the Land and Water Conservation Fund to purchase both of these properties.

The administration then insisted, contrary to the provisions of the Land and Water Conservation Fund Act, that such money could be spent without specific congressional authorization, clearly intending to go around Congress.

Ultimately, that argument failed. While I would have preferred to enact separate authorizing legislation, authorizations were contained within the 1998 Interior Appropriations bill.

However, the authorizations do not take effect and the money cannot be spent until a minimum of 180 days after enactment, and then only if no separate authorizing legislation is enacted.

During the 180-day review period, as chairman of the Energy and Natural Resources Committee, I intend to conduct a series of oversight hearings to examine the Headwaters Forest and New World Mine acquisitions. One focus of these oversight hearings will be the appraised value of the properties. To date the Clinton administration has refused to conduct appraisals to determine fair market values. This failure is in direct contradiction of existing law, which requires the appraisals be conducted for any Federal land acquisition. The appropriators had the foresight, of course, to recognize this hypocrisy.

Fair market value appraisals for both properties must be submitted to Congress within 120 days of enactment. The appraisals also must be reviewed, and independently analyzed by the Comptroller General of the United States.

Once these appraisals are completed, I intend to closely examine them. I plan to look at the methodology and data used in the appraisals. Among the specific questions, I will ask:

Do the appraisals comply with the Department of Justice's Uniform Appraisal Standards for Federal Land Acquisitions?

What criteria were employed to determine fair market value?

What assumptions were made about the property and the use of the property?

What was the scope of the appraisal?

It is important to remember that neither the Headwaters Forest nor New World Mine acquisitions can proceed, absent these appraisals. So these appraisals must be done.

Further, Congress will have, at a minimum, 60 days to examine the appraisals. For every day, after 120 days, that appraisals are not submitted to Congress, the 180 day period will be extended by 1 day.

I also intend to examine during the 180 day review period, the true cost to the American taxpayer of the Headwaters Forest acquisition. A condition to the Headwaters Forest acquisition is that the current owner of the property can take on his Federal taxes, as a business loss, the difference between what he contends is the property's fair market value and the price the Federal Government and California are paying for the property. That differential is $700 million.

In the event the owner receives such a ruling from the IRS, there will be a lost of tax revenue to the Federal treasury. This lost tax revenue could amount to $100 million or more. It is inaccurate to say that the Headwaters Forest is costing the American taxpayer $250 million. It could well cost the American taxpayer not only the $250 million cash purchase price but also this lost tax revenue. Under no circumstances should this total cost exceed the appraised value of the Headwaters Forest.

As to the New World Mine acquisition, I intend to examine exactly what land or interests in the land the Federal Government is acquiring for $65 million from the mining company. This issue needs to be examined because the agreement, committing the United States to buy this property, incredibly does not answer this question.

The mining company, which agreed to sell, owns or has under lease, interests in nearly 6,000 acres. However, the mining company has fee title to only 1,700 acres. The remainder is unpatented mining claims. The ownership situation is further complicated by the fact that most of the interests in the 6,000 acres are owned by a third party not a signatory to the agreement with the Federal Government. Congress, and the American taxpayer, have